

environmental protection in the corporate sector. Among other things, it stresses the need for continuous assessment of a production site's impact on the environment, for instance with regard to emissions and waste. These international standards have been implemented at our various production plants and dialysis clinics.

FRESENIUS MEDICAL CARE

Fresenius Medical Care already established an environmental program in 2007 that covers Europe, the Middle East and Africa and defines specific goals to be achieved by the year 2010. These include:

- Definition of environment-relevant performance indicators for all participating production facilities
- Further improvement of energy efficiency and the avoidance of emissions
- Implementation of a feasibility study on the use of alternative energy generation methods at a sample production site
- Improvement of the recycling rate from currently just over 70 % to 85 %
- Training and raising the awareness of our employees on environmental protection and environmental management issues, and
- Optimization of the eco-controlling system for our fast-growing number of dialysis clinics in Europe.

In 2008, the extension to one of the production units at our plant in Schweinfurt, Germany, was taken into operation. The building is equipped with a heat recovery system and an automated fresh air supply system, dispensing with the need for air-conditioning and making it very economical in terms of energy consumption. Production processes were also improved and made more environment-friendly at a number of other plants in Germany, France and Italy: the scope of the plastic raw materials used was increased.

Another environmental project launched in 2008 was the implementation of the new EU chemicals directive REACH (Registration, Evaluation, Authorisation and Restriction of

Chemicals). A focus was on assessing the risks if certain raw materials are not available in future. This led to the formulation of appropriate precautionary measures, such as the exchange of information with suppliers and advance ordering of strategically important materials. Fresenius Medical Care is an active member of the REACH working group of the Federal Association of the Medical Device Industry (BVMed) in Germany.

At the largest industry trade fair EDTA (European Dialysis and Transplant Association), we presented the SmartBag, a resource-saving packaging solution. This primary container for dialysis concentrates is PVC-free, and contains 80 % less plastic and produces 90 % less waste than the conventional Duroplastic containers. It can also be recycled very well as it consists of polyolefins.

In the past years Fresenius Medical Care has introduced a number of environment-friendly products. Biofine® for instance is a proprietary plastic developed by us that consists only of carbon and hydrogen (polyolefin). It is 60 % thinner than PVC and is easy to recycle. Owing to its many advantages Fresenius Medical Care today produces most of its peritoneal dialysis products with Biofine®. A major achievement in 2008 was the award of the Nordic Ecolabel ("SWAN"). The Nordic Ecolabel organization certified several product lines and the related accessories, all of which are completely PVC-free. Nordic Ecolabel is the officially recognized labeling organization for eco-friendly products in Norway, Sweden and Finland, and in Iceland and Denmark. The Nordic Ecolabel is also recognized in other countries for its high quality standards. These standards apply not only to the environment-friendly product qualities, but also to the production processes.

The environmental system based on ISO 14001 is to be extended and further dialysis clinics will be certified in 2009. We will be focusing this year on our clinics in Spain and Romania. In Sweden, we are seeking certification to ISO 9001. In addition, we will be pressing on with our "Energy squeeze" efficiency initiative at our principal European plants. Our target is to reduce energy consumption at these plants by 5 %, which would represent cost savings of about € 1 million in the current year. We will continue implementing the objectives of our environmental program.